

City of Detroit

CITY COUNCIL

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TO: Roger Short, Director
Budget Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 28, 2005

RE: 2005-2006 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2005-2006 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:cyb

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Roger Short, Budget Department Director
Charlayne Parker, Budget Department Team Leader
Sean Werdlow, Chief Financial Officer-Mayor's Office
Kandia Milton, Mayor's Office

Budget Department (12)

FY 2005-2006 Budget Analysis by the Fiscal Analysis Division

Summary

The Budget Department is a General Fund Agency. The recommended 2005-2006 budget totals \$2.51 million. The department's net tax cost is \$2.51 million, which is \$846,228 less than the current year.

The Mayor recommends a decrease of seven budgeted positions within the department.

FY 2004-2005 Surplus/(Deficit)

There is a projected surplus of \$150,982 for the current fiscal year due to departmental vacancies.

Personnel and Turnover Savings

There are no turnover savings projected for this department in the 2005-2006 Mayor's Proposed Budget.

Following is information by appropriation comparing budgeted FY 2004-05 positions, March 31, 2005 filled positions and FY 2005-06 recommended positions.

| <u>Appropriation/Program</u> | <u>Budgeted Positions FY 2004-05</u> | <u>Filled Positions 3/31/2005</u> | <u>Mayor's Budget Positions FY 2005-06</u> | <u>Over/(Under) Actual to 04/05 Budget</u> | <u>Mayor's Recommended Turnover</u> |
|--------------------------------------|--|---|--|--|---|
| Budget (12): | | | | | |
| 00226 Budget Department Opns. | 31 | 28 | 24 | (3) | \$ - |
| 12XXXX Unmatched Positions | 0 | 0 | 0 | 0 | \$ - |
| 12XXXX Leave of Absence | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | \$ - |
| TOTAL | <u>31</u> | <u>28</u> | <u>24</u> | <u>(3)</u> | <u>\$ -</u> |

Proposed Layoffs and Vacant Position Reductions

The 2005-06 Budget requires four layoffs in the Budget Department.

| Title | Layoffs |
|---------------------------|-----------------|
| Manager 1 – Budget | 2 |
| Sr. Budget Analyst-Exempt | 1 |
| Principal Clerk-Exempted | <u>1</u> |
| | |
| Department Total | <u>4</u> |

Significant Changes in Funding by Appropriation

Appro. Program

| | | |
|-------|------------------------------------|---|
| 00226 | Budget Department Operations | The Budget Department's proposed FY 2005-2006 Budget decreased by \$846,228, primarily due to a (\$431,589) decrease in Salary & Wages a (\$378,876) decrease in Employee Benefits. The decrease in salaries and fringes is due to a reduction in staff by 7 positions. Operating Services decreased by (\$32,755) primarily due to a reduction in Rental-Buildings Lease. These reductions are offset by \$12,586 increase in Operating Supplies, which is primarily due to an increase in the BRASS software maintenance fees. Professional Service Contracts decreased by \$2,000 for the consultant who reviews the Budget Report Analysis Support System (BRASS) at least twice a year during the budget development season. |
|-------|------------------------------------|---|

Budget (12)

| Budgeted Professional and <u>Contractual Services by Activity</u> | FY 2004-05 <u>Budget</u> | FY 2005-06 <u>Recommended</u> | Increase <u>(Decrease)</u> |
|--|-----------------------------|----------------------------------|-------------------------------|
| Budget Operations | <u>\$10,000</u> | <u>\$ 8,000</u> | <u>\$ (2,000)</u> |
| Total | <u>\$10,000</u> | <u>\$ 8,000</u> | <u>\$ (2,000)</u> |

Issues and Questions

1. Have measures been undertaken to comply with the Auditor General's recommendation to development procedures to limit spending of multi-year personal services contracts to the approved amount? If so, please explain.
2. The Mayor's 2005-06 Executive Budget suggests that technology has been improved to enhance the outcomes of each department's measures and targets. Please explain the affect this improved technology has had overall.

IC:CYB